



Issue Brief: CAPITAL IMPROVEMENT PROGRAM

SUMMARY

On January 10, 2006, the El Paso City Council approved the issuance of Certificates of Obligation totaling \$100 million. In conformance with the City's Debt Management Policy, this expenditure is for critical street & drainage infrastructure that will extend the useful life of the existing arterial street network citywide. Rehabilitation of these streets will include treatments (coating and resurfacing) necessary to delay complete reconstruction of a roadway, in many cases extending the use of the roadway from 20 to 40 years. This results in a cost savings to the taxpayer from an expenditure of \$1 to \$12 per square yard of roadway for pavement treatments instead of an expenditure of \$60 per square yard of roadway for reconstruction. Stated differently, preventative repairs cost \$250,000 per linear mile rather than \$1.5 million per linear mile for a complete rebuild.

Included as part of the \$100 million issuance of project costs are the bond issuance costs (1.5%) and the Two Percent for the Arts (2%), which total approximately \$102,328,380. These bonds will be sold incrementally to maintain the approved debt service rate over a two to three year period.

SUPPORTING DOCUMENTATION

Capital Improvement Program

- A total of 1,626 capital projects are included in the City's overall CIP, and only 1,100 of these projects are identified for proposed funding in the ten-year plan.
- In the ten-year plan, 300 projects are scoped and estimated at a total cost of \$1.2 billion.
- During the period 2000-2005, the following bond issuances have been approved:
 - \$141 million, Quality of Life (148 projects)
 - \$93 million, 2004 Bond Program (68 projects)
 - \$43 million, CO/GOB/Other bond issuances (22 projects)
- Approximately \$120 million in bond issuances (2000-2005) have been for priority street & drainage projects.
- Of total projects in the City's overall CIP, 40% of the projects involve match funding for TxDOT contractually obligated street & drainage projects, and approximately 78% of all projects are street & drainage priorities. These represent the highest and most critical need in the CIP.

Street Network

- There are approximately 2,200 center line miles citywide in the street network. These represent 600 center line miles of arterial streets (27%) and 1,600 center line miles of local streets (73%). This street network grows annually with the subdivision of land and dedication and acceptance for maintenance of streets (arterial and local).

- The life cycle (pavement performance curve) of a street is dependent on its use (average daily traffic) and repair/rehabilitation. The typical life cycle for local streets is 30 years and 20 years for arterial streets.
- Below is a breakdown of pavement rehabilitation costs:
 - Cost for fog seal at Year 5 of life cycle is \$1 per square yard
 - Cost for seal coat at Year 12 of life cycle is \$4 per square yard
 - Cost for resurfacing at Year 20 of life cycle is \$12 per square yard
 - Cost for reconstruction is \$60 per square yard (Year 25+)

Priority funding for rehabilitation of streets is critical up to Year 20 in order to extend the life of a street inasmuch as double a life cycle.

- The street network pavement program is estimated at \$25.9 million annually (current network); and includes 53 center line miles of local streets and 30 center line miles of arterial streets. This estimate represents ideal programming.
- Annual investment in the street & drainage program reduces capital costs significantly, and is a high priority-critical cost identified in the CIP. The approved capital budget funds approximately \$18 million for rehabilitation and \$35 million for reconstruction of the roadway network within the next two years.

Pavement Management System (PMS)

- A PMS tracks pavement condition and allows proper and cost-effective procedures to maximize the life of a street network.
- The City implemented use of PMS-Micro Paver software in FY 2003 at a cost of \$1.1 million (Phase I).
- As part of Phase I, approximately 688 center line miles of roadway (600 center line miles of arterial streets and 88 center line miles of local streets) were inspected and rated for pavement condition. In FY 2005, additional funding was allocated to collect an additional 400 center line miles of local streets (Phase II). Within the approved capital budget, \$2.5 million was approved and will complete the street inventory remaining for local streets (Phase III). Funding will be allocated annually to add new streets to the PMS inventory.
- Pavement rehabilitation priorities are based on a pavement condition index ranging from 100 (excellent) to 32 or below (failed). Highest priority in the CIP is given to streets with a pavement condition index ranging from 60 (poor) to 33 (very poor) to extend the useful life of the roadway.

APPROVED CAPITAL BUDGET
El Paso City Council, January 10, 2006

Priority Programming:

(Projects TBD & submitted for City Council ratification with budget authorizations)

PRIORITY	AMOUNT	BOND ISSUANCE	TWO PERCENT FOR THE ARTS	TOTAL
Street Resurfacing	\$10,000,000	\$150,000	\$200,000	\$10,350,000
ADA Compliance	\$6,000,000	\$90,000	\$120,000	\$6,210,000
Concrete Intersections	\$7,000,000	\$105,000	\$140,000	\$7,245,000
Signal/Flasher Installation	\$4,000,000	\$60,000	\$80,000	\$4,140,000
Unpaved ROW	\$4,000,000	\$60,000	\$80,000	\$4,140,000
Arterial Street Lighting	\$3,000,000	\$45,000	\$60,000	\$3,105,000
Stormwater Drainage	\$4,000,000	\$60,000	\$80,000	\$4,140,000
Mast Arm Replacement	\$3,000,000	\$45,000	\$60,000	\$3,105,000
Street Light Replacement	\$4,000,000	\$60,000	\$80,000	\$4,140,000
Traffic Management Information System Maintenance	\$2,000,000	\$30,000	\$40,000	\$2,070,000
Lane Markings	\$2,000,000	\$30,000	\$40,000	\$2,070,000
Traffic Calming	\$400,000	\$6,000	\$8,000	\$414,000
Loop Detectors	\$600,000	\$9,000	\$12,000	\$621,000
Emergency City Facility Rehabilitation	\$2,000,000	\$30,000	\$40,000	\$2,070,000
TXDOT Matches	\$6,000,000	\$90,000	\$120,000	\$6,210,000
Open Space Acquisition	\$2,000,000	\$30,000	\$40,000	\$2,070,000
Neighborhood Initiatives	\$2,000,000	\$30,000	\$40,000	\$2,070,000
Agricultural Drains	\$2,000,000	\$30,000	\$40,000	\$2,070,000
TOTAL	\$64,000,000	\$960,000	\$1,280,000	\$66,240,000

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Project Programming:

PROJECT	PROGRAM	DISTRICT	\$ ESTIMATE	BOND ISSUANCE	TWO PERCENT FOR THE ARTS	TOTAL
El Paso / Alameda / Concepcion	Street & Drainage	3	\$2,138,000	\$32,070	\$42,760	\$2,212,830
Airport Road	Street & Drainage	3	\$1,000,000	\$15,000	\$20,000	\$1,035,000
Alameda	Street & Drainage	3	\$400,000	\$6,000	\$8,000	\$414,000
Alameda/Little Flower	Street & Drainage	3	\$1,850,000	\$27,750	\$37,000	\$1,914,750
Airway Phase I	Street & Drainage	3	\$5,000,000	\$75,000	\$100,000	\$5,175,000
McCombs/Railroad	Street & Drainage	4	\$617,000	\$9,255	\$12,340	\$638,595
Rushing/TransMountain	Street & Drainage	4	\$1,870,000	\$28,050	\$37,400	\$1,935,450
Zaragoza/SPRR Crossing	Street & Drainage	6	\$473,000	\$7,095	\$9,460	\$489,555
Alameda	Street & Drainage	7	\$5,777,000	\$86,655	\$115,540	\$5,979,195
Yarborough	Street & Drainage	7	\$800,000	\$12,000	\$16,000	\$828,000
Pellicano/Lomaland	Street & Drainage	7	\$1,414,000	\$21,210	\$28,280	\$1,463,490
CBD Phase IV	Street & Drainage	8	\$150,000	\$2,250	\$3,000	\$155,250
Carnegie Phase I	Street & Drainage	5	\$2,916,000	\$43,740	\$58,320	\$3,018,060
Cebada/I-10	Flood Control	8	\$10,463,000	\$156,945	\$209,260	\$10,829,205
TOTAL			\$34,868,000	\$523,020	\$697,360	\$36,088,380

*** Red denotes TxDOT project ***